



Table of Contents

Section

A. Managed Care Background/Overview	Page 1-2
B. Results	2-3
C. Enrollment	3
▪ Mandatory Populations	
▪ Excluded Populations	
D. Medicaid Covered Services	4-5
▪ 1915 (b) State Plan Medicaid Services	
○ General Health Care Benefits	
○ Personal Care Options Service (PCO) Benefits	
▪ 1915 (c) Home and Community Based Services (HCBS) Waiver Benefits	
E. Related Medicare Coordination	5-6
▪ Medicare A – D Overview	
▪ Medicare Special Needs Plans (SNPs)	
▪ Medicare Improvements for Patients and Providers Act (MIPPA)	

A. Managed Care Background/Overview

1. On August 1, 2008, the State of New Mexico implemented the Coordination of Long Term Services program (CoLTS). CoLTS covers primary, acute, and long-term services in one coordinated and integrated program, incorporating Medicaid and Medicare services and funding. The State phased-in all geographic areas over the first year of implementation, with all counties phased in by April 1, 2009.
2. The State's goals for the implementation of CoLTS include the following:
 - Rebalance Medicaid long-term supports and services system from a primary reliance on nursing facility services to support the increased use of community-based supports and services.
 - Increase coordination between Medicaid and Medicare services.
 - Improve and expand coordination of acute care and community-based supports and services for all.
 - Offer seamless access to a choice of culturally responsive, appropriate, and quality long-term services;
 - Provide a system of services that minimizes stays in institutional settings, such as a nursing home, by increasing access to less restrictive home- and community-based services;
 - Promote improved health status and quality of life and reduced dependency on institutional care;
 - Use best practices from other states seeking to improve coordination and reduce fragmentation.
3. The administration and operation of the CoLTS program is a collaborative effort between the Medical Assistance Division (MAD) of New Mexico's Human Services Department (HSD) and the Aging and Long-Term Services Department (ALTSD).
 - HSD/MAD is the single state administering agency with financial oversight, and performance measurement.

- ALTSD is responsible for the operation of the program
4. The CoLTS program operates under concurrent 1915(b) and (c) Medicaid waivers from the U.S. Health & Human Services Department, Centers for Medicare and Medicaid Services (CMS).
- The 1915(b) waiver allows the state to operate a managed care delivery system. Medicaid State Plan services are provided under this waiver. The State must demonstrate “cost effectiveness” in order to be approved for a 1915(b) waiver and each time the waiver is renewed. Specifically, states must demonstrate that waiver expenditure projections are reasonable and consistent with statute, regulation, and guidance, and—for renewals—that actual waiver expenditures were less than or equal to projected waiver expenditures for the prior waiver period.
 - The 1915(c) waiver allows the state to provide home and community-based services to individuals who require the level of care provided in a nursing facility. For a 1915(c) waiver, the state must demonstrate “cost neutrality” both for initial waiver approval and for each renewal. That is, the state must show that the estimated average per capita cost of providing services to an individual in the waiver is projected to be equal to or less than the estimated average per capita cost of providing institutional care to the same population.
5. HSD and ALTSD contract with two Managed Care Organizations (MCOs) to provide CoLTS services.

AMERIGROUP Community Care Inc.

AMERIGROUP’s mission is to operate a community-focused managed care company with an emphasis on the public sector health care market. The Company will coordinate our members’ physical and behavioral health care, offering a continuum of education, access, care and outcome, resulting in lower costs, improved quality and better health of Americans. Amerigroup serves more than 1.9 million people in the Florida, Georgia, Maryland, Nevada, New Jersey, New Mexico, New York, Ohio, Tennessee, Texas, and Virginia.

EVERCARE of New Mexico Inc.

Evercare is one of the nation's largest care coordination programs for people who have long-term or advanced illnesses, are older or have disabilities. Our Medicare and Medicaid plans and services enhance health and independence by providing a Nurse Practitioner or Care Manager (depending on the individual's needs) as the member’s personal guide through the complex world of health care. Started in 1987, Evercare today serves more than 120,000 people nationwide through a variety of Medicaid, Medicare, and private-pay health plans, programs and services in the home, the community, and skilled nursing facilities.

B. Results

1. According to the cost effectiveness section of the 1915 (b) waiver application approved by CMS, the CoLTS program is projected to cost \$108.6 million less over the four-year period of FY 2009 through FY 2012. Because the federal government and the State share the costs of Medicaid, actual cost avoidance to the state is estimated to be \$31.1 million.¹
2. The CoLTS program will continue to offer opportunities for cost avoidance while improving the quality of care provided to members. As the program matures, the MCOs are likely to see further efficiencies from evidence-based preventive services, expanded provider networks, collaboration with the state and the Federal Coordinated Health Care Office in refining new models of care that emphasize care coordination and improvement in the integration of dual eligibles’ access to Medicare and Medicaid benefits, eliminating cost-shifting between the two programs, and improving the delivery of health and long-term care services.
3. It is important for the State to use measures of clinical quality, based on patients’ health outcomes, care coordination, avoidable hospitalizations, readmissions and emergency department use, adverse drug interactions, the number of successful transitions from nursing facilities, and an analysis of unsuccessful transitions, the average length of stay, and rates of re-institutionalization by CoLTS members residing in the

¹ Based on New Mexico’s FY 2010 Federal Medical Assistance Percentage (FMAP) of 71.35 percent
HSD/MAD CoLTS Program Fact Sheet – 2/3/11

community. Additional indicators include the extent to which CoLTS members are evaluated and stratified for high-priority patterns of multi-morbidity which include mental illness and substance abuse, participation in programs which go beyond single disease management to address specific multi-morbidity patterns, receive evidence-based screenings and preventive services, prepare advanced directives and other such factors. These measures should include the full range of providers involved in an integrated health care delivery model. CoLTS is likely to be one model of integrated care for other states as they explore options to more effectively provide Home and Community Based Services (HCBS) in this era of national health reform and constrained state budgets.

- a. To Date the CoLTS MCOS have reintegrated 207 consumers from the NF to the community.
 - b. Have intervened with 2,345 Healthy Dual consumers at imminent risk of NF placement and initiated referrals and services that kept the consumers out of nursing facilities.
 - c. Have enrolled 16,282 members into disease management programs.
 - d. Have facilitated 22,000 primary care and preventive services per quarter)
4. Additionally, the State is expected to benefit from additional revenue in the form of premium tax paid by the MCOs on gross premium revenues. It is expected that through calendar year, 2010 that the CoLTS MCOS will remit nearly \$80 million dollars in premium tax to NM. Through 2012, it is expected that the MCOs will remit nearly \$160 million dollars in premium tax to NM. These dollars are paid to the New Mexico Medical Insurance Pool and are used to provide insurance to individuals who are considered uninsurable, but not eligible for State Medicaid programs.
 5. From inception to 2012, the total financial contribution of the CoLTS Program to the State of New Mexico is anticipated to be \$268.6 million dollars.
 - \$108.6 million dollars cost avoidance/\$31 million in general fund dollars
 - \$160.0 million dollars in new premium tax revenue

C. Enrollment

1. The CoLTS program currently serves 38,401 individuals inclusive of 6,766 Native American members. Data through 1/10/2011.

CoLTS Enrolled		Non CoLTS	
(a) Full Medicaid Beneficiaries – With NF LOC (including dual Medicare eligibles.)		(a) Partial Medicaid Benefits	
	# Enrolled		# Enrolled
▪ Nursing Home Residents	4,020	▪ Qualified Medicare Beneficiary	22,840
▪ HCBS CCW Recipients (AKA D&E)	2,524		
▪ PCO Recipients	14,980	(b) Non-CoLTS Home and Community Based Waiver Recipients (Traditional Waivers)	
▪ Mi Via (D&E and Brain Injury)	821		# Enrolled
		▪ Developmental Disabilities (DD)	3,804
		▪ Medically Fragile Waiver (MF)	220
		▪ AIDS Waiver	16
(b) Medicaid and Medicare – Dual Eligibles (without NF LOC)		(c) Program of All-Inclusive Care for the Elderly (PACE)	
	# Enrolled		# Enrolled
▪ Recipients of Medicare and full coverage Medicaid, not receiving long-term care services (AKA healthy duals, as of 11/2010 enrollment)	16,005	▪ PACE	384
		(d) ICF/MR Residents	
			# Enrolled
			263

D. Medicaid Covered Services

1. CoLTS 1915 (b) State Plan – Medicaid Covered Services

(a) General Health Care Benefits

- Ambulatory Surgical
- Anesthesia
- Audiology
- Case Management for
 - EPSDT
 - Pregnant women and their infants
 - Adults with developmental disabilities
 - Traumatic brain injured adults
 - Children up to age 3
- Dental
- Dialysis
- Disease Management
- Durable Medical Equipment and Medical Supplies
- Emergency
- Health Education and Home Health
- Hospice
- Hospital Outpatient
- Hospital Inpatient
- Laboratory
- Nursing Facilities and Swing Bed Hospital
- Nutrition
- Occupational Therapy
- Pharmacy
- Physical Health
- Preventive Health
- Prosthetics and Orthotics
- Physical Therapy

- Rehabilitation
- Reproductive Health
- School-Based
- Service Coordination
- Skilled Maintenance Therapy
- Special Rehabilitation
- Speech Language Therapy
- Transplant
- Transportation
- Vision

(b) Personal Care Option (PCO) Service Benefits

(If meeting qualifying Nursing Facility Level-of-Care – 2 ADLs)

- Mobility Assistance
- Self-Administered Medication
- Bowel and Bladder Services
- Assistance with eating
- Household Services
- Hygiene, Grooming, Bathing
- Meal Preparation
- Minor Maintenance of Assistive Device(s)
- Skin Care
- Support Services

2. Home and Community Based Waiver – 1915 (c) CoLTS (CCW) Services

(a) CCW was previously known as the Disabled and Elderly (D&E) HCBS Waiver.

(b) Not all CoLTS members receive CCW services. Like all Medicaid Waiver programs, CCW is not an entitlement program. The numbers of slots are limited and dependent upon federal approval and state appropriations. Slot allocations are managed by ALTSD.

(c) Individuals who receive a CoLTS waiver allocation may choose between traditional delegated CCW services or self-directed services through the Mi Via waiver. Participants in Mi Via receive their 1915 (b) state plan Medicaid services under CoLTS. As of 11/10, there were 821 individuals enrolled in Mi Via.

(d) Persons interested in applying may have their names placed on a central registry until slots become available. As of November 2010, there are 16,584 names on the central registry.

Allocation types:

- Regular (based on date of registration) – Currently “frozen” due to budget constraints
- Expedited (based on approved criteria) – Currently “frozen” due to budget constraints
- Community Re-integration (for individuals residing in a nursing facility who want to return home)

- (e) To qualify for CCW, a person must meet both financial and medical nursing facility level of care. Financial eligibility is determined by the HSD Income Support Division (ISD) after a registrant is offered a slot allocation by ALTSD.

- Income eligibility is limited to 3x the Federal Benefit Rate (FBR) currently \$2022
- Resource limit of \$2,000.

Medical Eligibility is determined by a contracted Third Party Assessor (TPA), now Molina Healthcare. An applicant must require daily, direct and hands-on assistance with two (2) Activities of Daily Living (ADLs):

- | | | | |
|----------------------------|-------------|----------------------------------|-------------------------|
| • Mobility | • Transfers | • Bathing, hygiene, grooming | • Eating |
| • Daily, prescription meds | • Dressing | • Toileting, bowel, bladder care | • Meal acquisition/prep |

- (f) CCW Long Term Care (LTC) Services Include:

- | | | | |
|------------------------|------------------------------------------|-------------------------|-------------------------------|
| • Adult Day Health | • Assisted Living Services | • Emergency Response | • Environmental Modifications |
| • Respite Care | • Private Duty Nursing | • Maintenance Therapies | • Service Coordination |
| • Community Transition | Goods/Services and Relocation Specialist | | |

E. Related Medicare Coordination

1. The U.S. Health & Human Services, Centers for Medicare (CMS) administers Medicare, the nation's largest health insurance program. Medicare is a Health Insurance Program for people age 65 or older, some disabled people under age 65, and people of all ages with End-Stage Renal Disease (permanent kidney failure treated with dialysis or a transplant). Approximately 85% of CoLTS members are on Medicare. Therefore, for many physical health benefits, Medicare or a Medicare Advantage Plan, is that participant's primary insurance.
2. The Social Security Administration (SSA) determines eligibility and enrollment for Medicare.
3. Each MCO is required to offer coordination across payers to assure that the state does not take on unnecessary costs. Given the large number of consumers dually eligible for Medicare and Medicaid in CoLTS, special emphasis is placed on Medicare coordination.
4. Medicare has four (4) separate coverage parts, Part A, Part B, Part C and Part D. Each year CMS sets Medicare premiums, deductibles and coinsurance amounts each year to be paid by Medicare recipients.

Medicare Part A - Hospital Insurance

Medicare Part B - Medical Insurance

Medicare Part C - Medicare Advantage (MA) Plans

- Combines all of Part A with Part B Medicare benefits in a managed care environment, offered by private companies approved by Medicare
- CMS pays a fixed amount every month to the companies offering Medicare Advantage Plans. These companies must follow rules set by CMS for Medicare.
- May offer extra coverage, such as vision, hearing, dental, and/or health/wellness programs
- Can include Part D prescription drug coverage in one monthly premium

Medicare Part D - Medicare Prescription Drug Coverage:

- A prescription drug option offered by private companies approved by Medicare

5. **Medicare Special Needs Plans (SNPs)** – A type of Medicare Advantage Plan (Part C) for people with certain chronic diseases and conditions or who have specialized needs (such as people who have both Medicare and Medicaid or people who live in certain institutions).

Medicare SNPs provide their members with all Medicare Part A, B and D services. Medicare SNPs were created to give certain groups of people better access to Medicare by enrolling in a plan designed to meet their unique needs.

6. **Medicare Improvements for Patients and Providers Act of 2008 (MIPPA)** - In July 15, 2008, Congress enacted MIPPA, making changes to the Medicare program. Some of the provisions that impact state Medicaid agencies:
- a. SNP organizations entering the market or expanding into new service areas are required to enter into an agreement with the state's Medicaid agency to define services and service areas.
 - b. All beneficiaries enrolled in SNP must be offered care management.
 - c. Although there are several MA/SNP Plan organizations in New Mexico, HSD has offered and entered into MIPPA SNP Memorandums of Understanding (MOUs) with only the two CoLTS MCOs due to the common goals of the CoLTS managed care program and the SNP benefits. There is no exchange of funds within the MOUs.
 - d. The following provides information on both the Amerigroup and the Evercare Special Needs Plans available in some New Mexico counties. SNPs can simplify care and reduce program costs:

AMERIGROUP Service Area	EVERCARE SNP Service Areas
Bernalillo, Sandoval, Santa Fe, Torrance and Valencia counties	Bernalillo, Dona Ana, Grant, Hidalgo, Luna, Sandoval, Santa Fe, Sierra, and Valencia counties
SNP Enrollment	SNP Enrollment
354	1,478

For more information, please contact:

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